



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
TAX ON LUMP-SUM DISTRIBUTIONS
From Qualified Retirement Plans

SC4972

(Rev. 9/22/04) 3107

2004

▶ Attach to form SC1040 or form SC1041.

▶ See federal instructions.

Name of recipient of distribution

Identifying number

Part I Complete this part to see if you qualify to use form SC4972.

	Yes	No	
1 Was this a distribution of a plan participant's entire balance from all of an employer's qualified plans of one kind (pension, profit sharing, or stock bonus)? If "No", do not use this form.....	1		
2 Did you roll over any part of the distribution? If "Yes", do not use this form.....	2		
3 Was this distribution paid to you as a beneficiary of a plan participant who was born before 1936?	3		
4 Were you (a) a plan participant who received this distribution, (b) born before 1936, and (c) a participant in the plan for at least 5 years before the year of the distribution?..... If you answered "No" to both questions 3 and 4, do not use this form.	4		
5a Did you use SC4972 after 1986 for a previous distribution from your own plan? If "Yes", do not use this form for a 2004 distribution from your own plan	5a		
b If you are receiving this distribution as a beneficiary of a plan participant who died, did you use SC4972 for a previous distribution received for that plan participant after 1986? If "Yes", do not use this form for this distribution	5b		

Part II Complete this part to choose capital gain election. (See federal instructions.)

6 Capital gain part from Box 3 of Form 1099-R	6		
7 Multiply line 6 by 3.92% (.0392)	7		
If you choose to use Part III, go to line 8. Otherwise, enter the amount from line 7 of this form on SC1040, line 7; or SC1041, line 9.			

Part III Complete this part to choose the 10-year tax option. (See federal instructions.)

8 Ordinary income for Form 1099-R, box 2a minus box 3. If you did not complete Part II, enter the taxable amount from box 2a of Form 1099-R	8		
9 Death benefit exclusion for a beneficiary of a plan participant who died before August 21, 1996	9		
10 Retirement deduction, if not claimed on line 44a, 44b or 44c, SC1040, or line 34a, 34b or 34c, Schedule NR (See instructions)	10		
11 Add lines 9 and 10	11		
12 Total taxable amount (subtract line 11 from line 8).....	12		
13 Current actuarial value of annuity (from Form 1099-R, box 8)	13		
14 Adjusted total taxable amount. Add lines 12 and 13. If this amount is \$70,000 or more, skip lines 15 through 18, and enter this amount on line 19 and go to line 20	14		
15 Multiply line 14 by 50% (.50), but do not enter more than \$10,000	15		
16 Subtract \$20,000 from line 14. If the result is less than zero, enter -0-	16		
17 Multiply line 16 by 20% (.20)	17		
18 Minimum distribution allowance. Subtract line 17 from line 15	18		
19 Subtract line 18 from line 14 or enter the amount from line 14, if the amount is \$70,000 or more ...	19		
20 South Carolina estate tax attributable to lump-sum distribution	20		
21 Subtract line 20 from line 19	21		

If line 13 is blank, skip lines 22 through 24 and go to line 25.

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Part III 10-year tax option - CONTINUED

10-year tax option	22 Divide line 13 by line 14 and enter the result as a decimal (round to at least four places)	22		
	23 Multiply line 18 by the decimal on line 22	23		
	24 Subtract line 23 from line 13	24		
	25 Multiply line 21 by 10% (.10)	25		
	26 Tax on amount on line 25. Use the Tax Rate Schedule below	26		
	27 Multiply line 26 by ten (10). If line 13 is blank, skip lines 28 through 30, and enter this amount on line 31, and go to line 32	27		
	28 Multiply line 24 by 10% (.10)	28		
	29 Tax on amount on line 28. Use the Tax Rate Schedule below ...	29		
	30 Multiply line 29 by ten (10)	30		
	31 Subtract line 30 from line 27. (Multiple recipients, see federal instructions.)	31		
	32 Tax on lump-sum distribution. Add line 7 and line 31. Also, enter this amount on SC1040, line 7; or SC1041, line 9, whichever applies	32		

Instructions for Line 10:

An **individual** may deduct up to \$3,000 of qualified **retirement** income, and, beginning in the tax year in which the individual reaches age sixty-five, up to \$10,000 of qualified retirement income. Individual retirement deductions are reportable on lines 44a and 44b of form SC1040 and 34a and 34b of Schedule NR.

A **surviving spouse** receiving qualified **retirement** income attributable to the deceased spouse may deduct up to \$3,000 or \$10,000, whichever would have applied, based on age, had the deceased spouse lived. This amount is reportable on line 44c of form SC1040 and line 34c of Schedule NR. The surviving spouse retirement deduction is in addition to the **individual** retirement deduction.

Beginning in the tax year in which a **resident** reaches age sixty-five, he or she is entitled to a deduction of \$15,000 against **any** South Carolina income. Age-65-and-older deductions are reportable on lines 45a and 45b of form SC1040 and lines 35a and 35b of Schedule NR. However, the sixty-five and older deduction is reduced by any **individual** retirement deduction mentioned above. The age-65-and-over deduction is not reduced by any **surviving spouse** retirement deduction.

If an age-65-and-older deduction has been claimed on SC1040, **do not include** any **individual** retirement deduction on line 10 of SC4972.

2004 SOUTH CAROLINA TAX RATE SCHEDULE FOR LINES 26 AND 29 ONLY

If the amount is Over--	But not Over--	Compute the tax as follows:
-0-	\$ 2,500	2.5% times the amount
\$ 2,500 -	5,000	3% times the amount less \$ 12
5,000 -	7,500	4% times the amount less 62
7,500 -	10,000	5% times the amount less 137
10,000 -	12,500	6% times the amount less 237
12,500 +	or more	7% times the amount less 362

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form, if you are an individual. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.